

STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL ELECTRIC COMPANY FOR AN ADVANCE WAIVER OF PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36- 04GO14223 ENTITLED "HI-WAY INITIATIVE IN NEW YORK"; W(A)-04-081; CH-1260

As set out in the attached waiver petition and in subsequent discussions with DOE patent counsel, General Electric Company (GE) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified cooperative agreement by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories.

Referring to item 2 of GE's waiver petition, the purpose of this agreement encompasses the investigation and development of the economic production of hydrogen using water electrolysis. Additionally, GE will work with SUNY Albany to develop an education and outreach initiative for hydrogen technologies and to research new hydrogen sensors rated for extreme fuel cell environments.

The work under this agreement is expected to take place over a period of one year at a total cost of \$2,100,000. GE is obligated to cost share \$700,000, or about 33 percent of the total cost of the project.

In view of the cost sharing and other equities between GE and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by GE's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to GE or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute GE's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 5-9 of GE's waiver petition, GE has extensive experience in the design of complex commercial energy systems. This, coupled with GE's cost sharing, clearly demonstrates the likelihood that GE will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the attached advance patent waiver provisions, and the government license, march-in-rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes a U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The participant further agrees to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the participant or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a

controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as this is an expanding area of technology including a variety of competing technologies in the relevant market.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date: 1-5-05


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:


Steven G. Chalk, Director
Office of Hydrogen, Fuel Cells, and
Infrastructure Technologies Program
EE-2H

Date: 1/21/05

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for
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Property, GC-62

Date: 1-28-05